

City of Mt. Pleasant

**Central Business District (CBD) Tax Increment Finance Authority (TIFA)
Mission-Pickard Downtown Development Authority (DDA)
Industrial Park North TIFA
University Park TIFA**

MINUTES OF THE REGULAR MEETING

**May 15, 2012, 10:00 A.M.
City Hall, Conference Room A**

I. Call to Order

The meeting was called to order by Vice-Chair Rich Swindlehurst at 10:03 a.m.

Present: Tim Coscarelly, Kathie Grinzinger, John Hunter, Tom Krapohl, Steve Silverberg, Jeff Smith, and Rich Swindlehurst.

Absent: Tim Dolehanty, Rick McGuirk, Doug Ouellette, and Mike Pung.

Also attending: Brian Anderson, Jeff Gray, Mary Ann Kornexl, William Mrdeza, Nancy Ridley, Roger Rouse, and Michelle Sponseller.

II. Approval of Agenda

It was moved by Smith, seconded by Hunter, to approve the agenda as presented. **The motion passed unanimously.**

III. Approval of the April 17, 2012 Meeting Minutes

It was moved by Grinzinger, seconded by Smith, to approve the minutes of the April 17, 2012 meeting as presented. **The motion passed unanimously.**

IV. Old and New Business

A. CBD/TIFA

1. Project Update

Mrdeza discussed a proposed project to develop one of the downtown signature buildings and reminded the members that because the project is in the early phases of negotiations, confidentially is of utmost importance. He indicated that a development group from the Lansing area is in negotiations to purchase the building with the intent of renovating it to include first floor commercial space and upper story apartments. It was emphasized that this

was not targeted to low-income individuals. Currently, the concept is to create twenty housing units in the upper stories, with 51% of these targeted to income-qualifying individuals. The primary market for these one-bedroom units is the young professional segment. Grinzinger commented that this strategy was consistent with the City's goal of trying to attract more young professionals and those being recruited by the hospital or CMU and its medical school into the downtown.

2. ICTC Downtown/Campus Route Bus Wrap Update

Sponseller updated the Board on the I-Ride bus wrap program. She reminded the members that a condition of funding the bus wrap promoting transportation from CMU directly to the downtown was the tracking and reporting by the I-Ride staff of any changes in ridership numbers as a result. To date, Sponseller reported she had not received any of the promised data, in spite of repeated contacts requesting it. Sponseller recommended a formal letter from the CBD/TIFA Board be sent to I-Ride requesting the ridership data and felt this might have more impact on generating a response. The data will help the Board determine whether it is cost-effective to continue providing funds for the bus wrap project. **It was moved by Grinzinger, seconded by Smith, to authorize Sponseller to submit a letter to the I-Ride management on behalf of the CBD/TIFA Board requesting ridership figures on the bus route.**

B. DDA

1. Basic Communications Update

Mrdeza and Gray presented before and after photographs of the Basic Communications façade improvement project on Mission Street. The DDA had provided the equivalent of an interest write-down to help fund the project. Since the owner did not seek financing for the project, the DDA Board had approved a variation on the program whereby current prevailing interest rate was determined and the difference between that and 3% was calculated as if an actual loan was taken out for the project. This difference over a five year period was calculated and was to be paid out as a lump sum to the owner once the contractor certified that payment for the work had been received and there were no outstanding liens on the project. Board members were in general agreement that this project resulted in a substantial improvement to the property and was consistent with the types of designs the City was trying to incent in the Mission Street corridor. Gray indicated there might be some additional work on the building since the business has recently become a Verizon affiliate.

2. CVS Incentive Package Discussion and Approval

Mrdeza and Gray discussed the CVS Pharmacy project to be located in the Campus Plaza shopping center at the corner of Mission and Preston Streets. In previous discussions, the DDA had tentatively approved an incentive package for the project, contingent upon developer-supplied construction estimates and the scope of the project. As the project neared final design and approval, the applicant requested a determination of the final value of the incentive package the City was willing to commit to the project. Gray and Mrdeza

outlined the following six items that were discussed with the applicant and are potentially eligible for incentives pending DDA Board approval:

1. Driveway closures (4)
2. Sidewalk construction, including tree grates and Preston Street right turn pedestrian refuge island
3. Decorative fencing
4. Sanitary sewer line extension to serve the CVS development
5. Façade write-down on the south side of the Sherwin-Williams building
6. Asphalt overlay on the south end of the property in conjunction with the proposed grid street construction in that area

After some discussion, the DDA Board agreed to provide incentives for the above-listed items in the following not-to-exceed amounts, based upon construction bids submitted by the contractor and contingent upon certification of completion and no outstanding liens exist on the project by the contractor:

1. Driveway closures: **\$19,970**
2. Sidewalk construction w/tree grates and pedestrian refuge island: **\$20,000**
3. Decorative fencing (excluding East Campus Drive): **\$10,900**
4. Sanitary sewer line: **\$11,849**
5. Façade write-down similar to the Basic Communications case and contingent upon an approved drawing: **\$1,500**
6. Asphalt overlay: **\$13,781**

On a motion by Smith, seconded by Hunter, it was moved to approve incentives for the development of a CVS Pharmacy on the Campus Plaza mall site in an amount not to exceed \$78,000, based on the maximum amounts identified in the above-listed line items. The motion passed unanimously.

In a related issue, Mrdeza explained that one of the key elements to the CVS project was the creation of a grid street connecting East Campus Drive and Mission Street. The construction of this connector is critical to MDOT's allowance of a full service driveway for CVS and is consistent with the City's desire to help to alleviate traffic congestion at key intersections along Mission, including Preston Street which abuts the CVS site on the north. The preferred location for this grid street connector is adjacent to and south of the Sherwin-Williams building. Since this location would cross private property, an easement was needed to allow the eventual construction of the proposed street. The DDA had previously committed funds to construct connector streets in several possible locations and should they prioritize this location, funding is available for construction.

The owner of the Campus Plaza mall has agreed to provide such an easement based upon a preliminary design incorporating two ten foot wide travel lanes with a total easement width of 27 feet. Mrdeza shared the easement document and conceptual street design with the DDA Board members and requested action to accept the easement document as negotiated with the property owner. He further indicated that the City Commission had taken similar

action the previous evening, contingent upon the DDA's acceptance of the easement at this meeting. It was moved by Krapohl, seconded by Silverberg, to accept the easement document for the proposed grid street in the Campus Plaza mall location as presented. **The motion passed unanimously.**

V. Other

There was no other business brought before the TIFA or Mission-Pickard DDA Boards for consideration.

VI. Adjourn

There being no other business, the meeting adjourned at 11:35 am.

City of Mt Pleasant
Mission Street DDA
Statement of Estimated Changes in Working Capital
For the year ended December 31, 2012 & 2013

	<u>2011 Actual</u>	<u>2012 Original Budget</u>	<u>2012 Proposed Amended Budget</u>	<u>2013 Proposed Budget</u>
Working Capital at January 1,	\$ 934,162	\$ 481,702	\$ 780,893	\$ 552,453
Working Capital Sources:				
Revenue:				
TIFA/DDA Captured Taxes **	488,253	238,000	246,000	220,000
MTT Judgement	-4,240	0	0	0
Refunds	1,783	0	0	0
Investment Earnings	7,381	4,000	6,400	6,400
Total Working Capital Sources	493,177	242,000	252,400	226,400
Working Capital Uses:				
Expenses				
Interest on Bonds	9,040	3,680	3,680	0
Operations	17,888	23,700	27,500	27,500
Management Fee City	25,300	25,300	25,300	25,300
Large Project/site Enhancement Return to GF	250,000	0	0	0
Start up loans Return to GF	50,000	0	0	0
Pedestrian and Traffic Safety	23,812	75,000	75,000	300,000
Access Management Program	0	40,000	59,970	40,000
Landscaping Fencing Improvements	6,269	30,000	30,000	30,000
Fascade Improvements	0	30,000	31,500	30,000
Reinvestment Support	0	40,000	96,530	40,000
Depreciation	4,989	4,990	4,990	4,990
Refund of County Debt Capture	9,858	9,950	10,210	10,210
School Tax Repayment	127,073	0	0	0
Administration	12,206	5,950	6,150	5,500
Total Expenses	536,435	288,570	370,830	513,500
Other Uses/Adjustments				
Depreciation	-4,989	-4,990	-4,990	-4,990
Principal Payments	105,000	115,000	115,000	0
Increase in Current Principal	10,000	0	0	0
Total Working Capital Uses	646,446	398,580	480,840	508,510
Increase (Decrease) in Working Capital	-153,269	-156,580	-228,440	-282,110
Working Capital at December 31,				
Assigned for Access Management Program	40,000	40,000	40,000	40,000
Assigned for Final Debt Payment *	118,680	0	0	0
Assigned for Pedestrian and Traffic Safety	230,000	155,000	380,000	100,000
Assigned for Fascade	40,000	40,000	40,000	40,000
Assigned for Reinvestment	40,000	40,000	40,000	40,000
Unassigned	312,213	50,122	52,453	50,343
Total Working Capital at December 31	\$780,893	\$325,122	\$552,453	\$270,343

Project no growth in capture. Beginning in 2012 no longer capture school taxes

* - Per State policy 4/2012 final debt payment is from 2011 School Capture 7/1 - 6/30

** - Assumes PPT Eliminated -\$26000

2012 - Added CVS Incentive approved May 12